

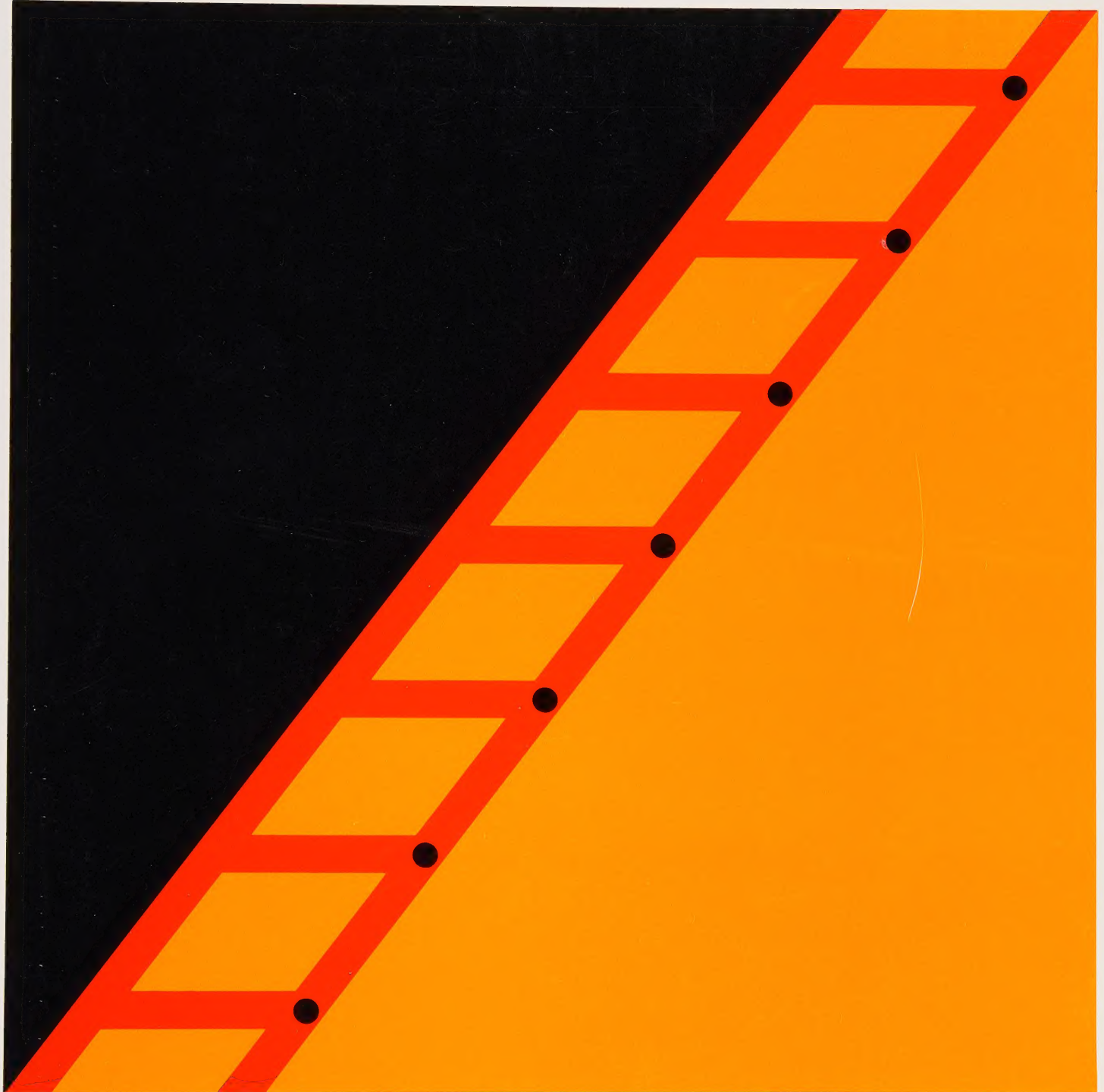
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City of Chico

\$600,000

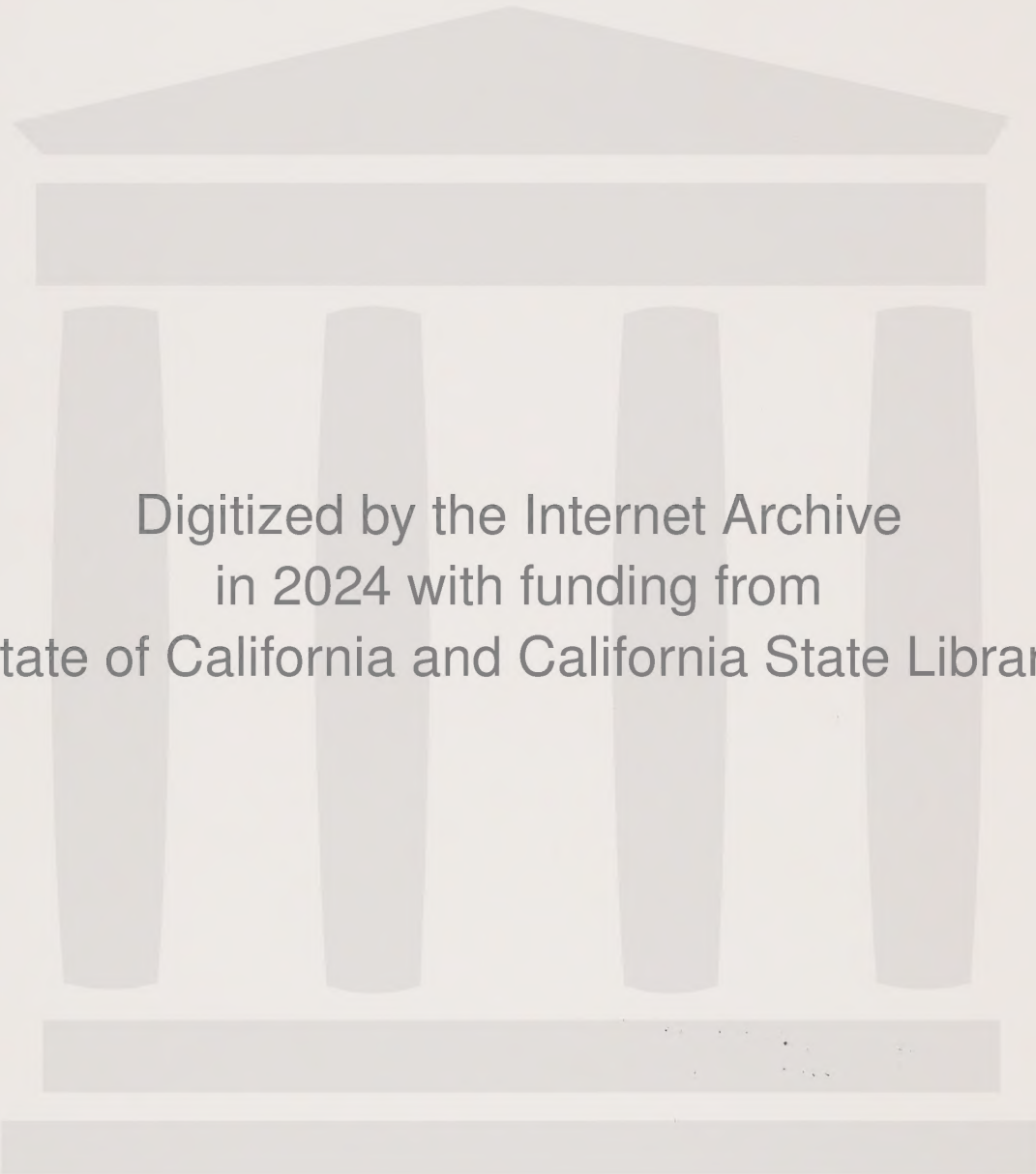
1976 Fire Equipment Bonds

General Obligation



Sale: March 2, 1976

Bartle Wells Associates



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CITY OF CHICO

Butte County, California

Incorporated: January 8, 1872
Chartered: Original February, 1923
Present June, 1960

Municipal Building
Fifth and Main Streets
Chico, California 95926

CITY COUNCIL

Ronald E. Stewart, *Mayor*
Elizabeth F. Smith, *Vice Mayor*
Loren P. Andrews
Patrick S. McLafferty
William A. Murphy
Dave H. Murray
Robert D. Thorn

CITY STAFF

Fred Davis, *City Manager*
John H. Dougherty, *Deputy City Manager*
Neil H. McCabe, *City Attorney*
Barbara A. Evans, *City Clerk*
Robert E. Shepherd, *Finance Officer*
Elmer L. Brouillard, *Fire Chief*

PROFESSIONAL SERVICES

Orrick, Herrington, Rowley & Sutcliffe,
San Francisco, *Bond Counsel*
Bartle Wells Associates, San Francisco
Municipal Financing Consultants
Bank of America, N.T.&S.A.
Paying Agent

Bids for the bonds will be received at 10:00 a.m., Tuesday, March 2, 1976, at the offices of Bartle Wells Associates, Shell Building Penthouse, 100 Bush Street, San Francisco, California.

Data in this statement were obtained from sources believed current and reliable. Estimates and opinions are included and should not be interpreted as statements of fact. Summaries of documents do not purport to be complete statements of their provisions.

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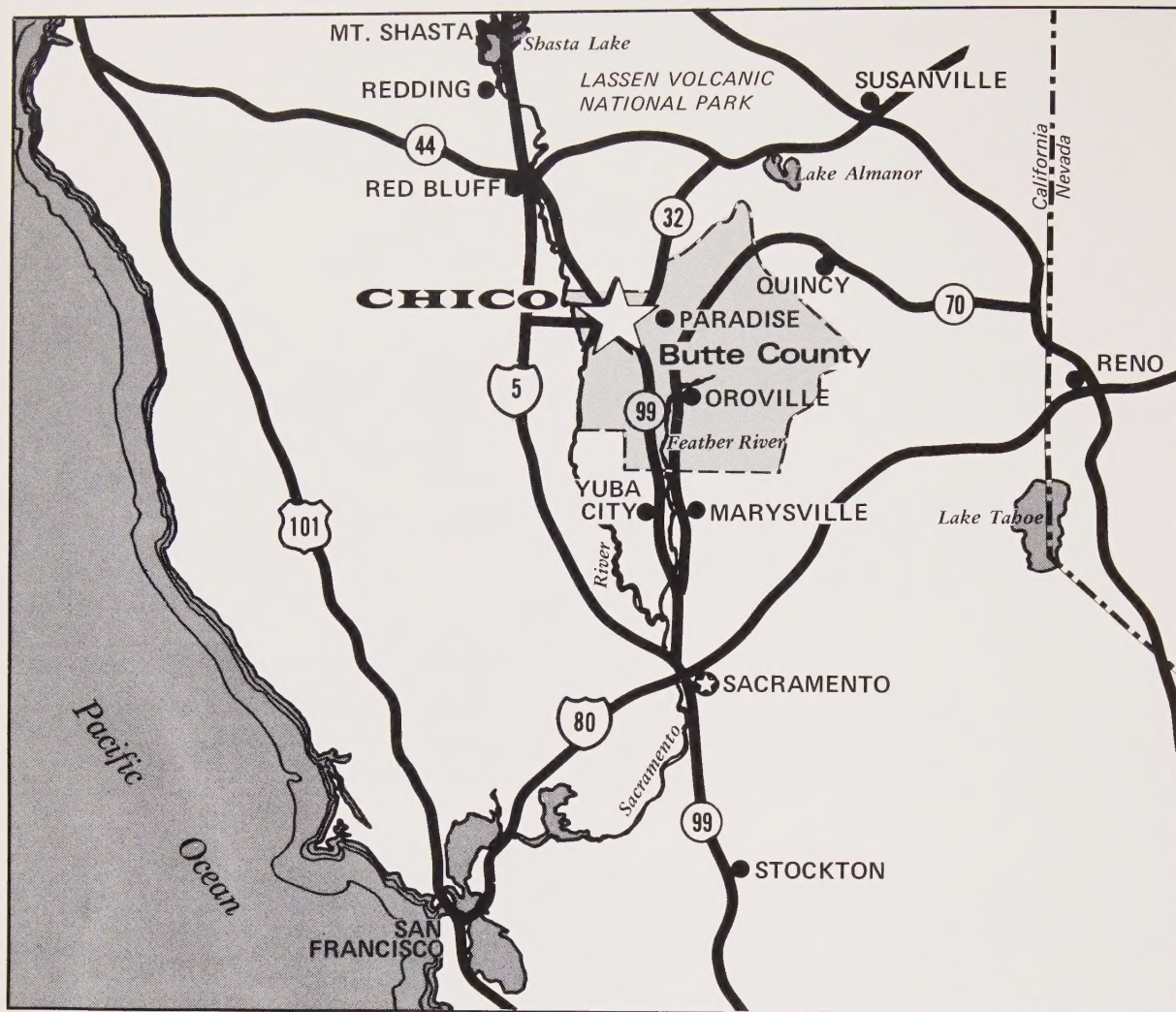
FEB 18 1976

UNIVERSITY OF CALIFORNIA

February 4, 1976

Official Statement prepared by:
BARTLE WELLS ASSOCIATES
Municipal Financing Consultants
Shell Building Penthouse
100 Bush Street
San Francisco, California 94104
(415) 981-5751

[Bartle Wells assoc]
Fire prev. Equip. Chico
Publ. debts. Chico
Investments Pub. Secur.



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INTRODUCTION

The City of Chico is located in the center of northern Sacramento Valley, one of the nation's most productive agricultural areas. The trade center is approximately 174 miles northeast of San Francisco, 90 miles north of Sacramento, and almost exactly halfway between Los Angeles and Portland, Oregon. The city has an area of approximately 7.6 square miles and lies approximately 6 miles east of the Sacramento River.

The 1975/76 assessed valuation of the city is \$63,993,354, or approximately \$2,870 per capita. Growth in assessed valuation has averaged approximately 12 percent per year between 1970 and 1975. The estimated real market value of property in the city, based on the assessment ratios reported by the California State Board of Equalization, is \$253,224,000.

The 1975/76 tax rate levied by the city was \$1.53 per \$100 assessed valuation. The tax rate levied by the city for the previous five fiscal years was \$1.59 per \$100 assessed valuation. The current rate includes \$0.08 per \$100 assessed valuation for bonded indebtedness and the remainder, \$1.45 for the general fund, library fund, park fund, and sidewalk tree fund. The city charter limitation levy is \$2.10 per \$100 assessed valuation. The total tax rate for the code area representing over one-half the assessed valuation of the city for all purposes during 1975/76 fiscal year was \$10.978 per \$100 assessed valuation. Delinquency experience in the city has been very favorable. Delinquencies over the past six years have averaged 2.42 percent of secured taxes levied, and have characteristically been made current in the year following delinquency.

The City of Chico fiscal controls are evidenced by the statement of income and expenditures shown in the Financial Data section of this official statement. Approximately \$5,400,000 has been expended over the last five years for capital outlays. The city's fund balances as of June 30, 1975 totaled \$2,130,945.

The direct bonded debt payable from taxes of the city is comprised of the \$600,000 1976 Fire Equipment Bonds currently being offered for sale; the 1966 Street Bonds with an outstanding balance of \$195,000; the 1960 Municipi-

pal Improvement Bonds currently 55 percent self-supporting; the 1972 Sewer Bonds which are 100 percent self-supporting from sewer service charges; and the 1970 and 1971 Airport and Airport Terminal Bonds which are 100 percent self-supporting from airport revenues. The principal overlapping bonded debt applicable to the city was issued for school purposes. The ratio of total net direct and overlapping bonded debt to the 1975/76 assessed valuation of the city is estimated to be 5.43 percent.

The proceeds from the sale of the 1976 Fire Equipment Bonds will be used to finance the acquisition of two 100-foot rear mounted aerial ladder trucks and three 1,250-gallon-per-minute (gpm) triple combination pumping engines for the City of Chico Fire Department, as described in The Project section of this official statement.

The 1976 Fire Equipment Bonds will be in the denomination of \$5,000 and will mature serially with final maturity in 1997. The average bond term is 13.425 years. Bonds maturing on or after January 1, 1988 in a principal amount of \$400,000, are callable at a premium on any interest payment date on or after January 1, 1987.

Chico was originally established as a townsite by General John Bidwell and was incorporated on January 8, 1872. The city operates on the council-manager form of government and has a staff of 196 full-time equivalent employees.

The current population within the City of Chico is estimated at 22,300 persons, and over 130,000 people are estimated within the economic trade area. Chico's importance as the dominant commercial center in northern Sacramento Valley can partially be attributed to the California State University, Chico campus, located within the city.

Chico is in the Chico-Oroville Labor Market which includes all of Butte County. Trade and services constitute two of the three largest categories of employment in the region. Agriculture continues to play a major role in the economy with approximately 500,000 acres of Butte County planted to various field, seed, vegetable, fruit, and nut crops. Geographically, Chico is in the center of a major recreational area with the Sacramento River on the west and forests and streams of the Sierra Nevada on the east.

THE BONDS

Description: \$600,000 City of Chico 1976 Fire Equipment Bonds, \$5,000 denomination.

Date of Sale: Tuesday, March 2, 1976, at 10:00 a.m. in the offices of Bartle Wells Associates, Shell Building Penthouse, 100 Bush Street, San Francisco. Bonds will be awarded by the city council at or about 7:30 p.m. on the same day, pursuant to the Official Notice of Sale adopted February 4, 1976.

Dated: April 1, 1976.

Interest: Interest payable for the first nine months on January 1, 1977, and thereafter semi-annually on July 1 and January 1 of each year.

Maturities: Annually on January 1 as follows:

1978-80.....	\$15,000
1981-84.....	20,000
1985-87.....	25,000
1988-89.....	30,000
1990-91.....	35,000
1992-93.....	40,000
1994-95.....	45,000
1996-97.....	50,000

Redemption: Bonds maturing on or prior to January 1, 1987 (\$200,000) are non-callable. Bonds maturing on or after January 1, 1988 (\$400,000) are callable at the option of the city as a whole or in part in inverse numerical order on January 1, 1987 or on any interest date thereafter. A premium of $\frac{1}{4}$ of 1 percent of the principal amount will be payable for each whole year and any fraction of a year remaining from the date of redemption to the maturity date of each bond. The city will publish a notice of intended redemption at least 30 days before any bonds are to be called. Copies of the notice of redemption are to be mailed to holders of any registered bonds designated for redemption.

Form and Registration: Issuable as coupon bonds in multiples of \$5,000, registrable as to principal and interest only, with provision for deregistration and reregistration.

Purpose: Bond proceeds will be used to finance the acquisition of two aerial ladder trucks and three pumping engines for the Fire Department.

Security: The bonds are general obligation of the City of Chico. The city has the power and

is obligated to levy an unlimited ad valorem tax on all property within the city subject to taxation by the city (except certain personal property which is taxable at limited rates) for payment of the bond principal and interest.

Tax Exemption: In the opinion of bond counsel, interest on the bonds is exempt from present Federal income tax and California personal income tax under existing statutes, regulations and court decisions.

Payment: At the main office of Bank of America N.T. & S.A., San Francisco.

Authority for Issuance: The \$600,000 principal amount of City of Chico 1976 Fire Equipment Bonds represents the entire bond authorization approved by city voters at an election held April 8, 1975. The bonds are to be issued pursuant to the provisions of Resolution No. 93 75-76 of the city council, adopted February 4, 1976.

Legality for Investment: In the opinion of bond counsel, the bonds are legal investments in California for all trust funds and for funds of insurance companies, commercial and savings banks and trust companies.

Legal Opinion: All proceedings in connection with the issuance of the bonds are subject to the approval of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, bond counsel for the City of Chico. The unqualified opinion of Orrick, Herrington, Rowley and Sutcliffe, attesting to the validity of the bonds, will be supplied free of charge to the original purchaser of the bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

The statements of law and legal conclusions set forth in this official statement under the heading The Bonds have been reviewed by bond counsel. Bond counsel's employment is limited to a review of the legal procedures required for the bonds and to rendering an opinion as to the validity of the bonds and the exemption of interest on bonds from income taxation and legality of the bonds for investment. The opinion of bond counsel will not consider or extend to any documents which bond counsel did not prepare or review or to any agreements, representations, offering circulars or other material of any kind concerning the bonds not mentioned in this paragraph.

Annual Bond Service: The following table shows the actual combined outstanding bond service for the 1960 Municipal Improvement Bonds, 1966 Street Bonds, 1970 and 1971 Air-

port Bonds, and 1972 Sewer Bonds; and the estimated annual bond service requirement for the 1976 Bonds based upon an estimated interest rate of 7 percent.

CITY OF CHICO
COMBINED BOND SERVICE

Year Ending Jan. 1	1976 Fire Equipment Bonds				Actual Bond Service Outstanding G.O. Bonds	Total Bond Service All Issues
	Principal Outstanding	Interest Payable @ 7%	Principal Maturing Jan. 1	Total Bond Service		
1977	\$600,000	\$ 31,500 ¹	--	\$ 31,500 ¹	\$204,225	\$235,725
1978	600,000	42,000	\$ 15,000	57,000	199,538	256,538
1979	585,000	40,950	15,000	55,950	199,850	255,800
1980	570,000	39,900	15,000	54,900	199,850	254,750
1981	555,000	38,850	20,000	58,850	179,475	238,325
1982	535,000	37,450	20,000	57,450	180,138	237,588
1983	515,000	36,050	20,000	56,050	180,613	236,663
1984	495,000	34,650	20,000	54,650	181,138	235,788
1985	475,000	33,250	25,000	58,250	176,483	234,733
1986	450,000	31,500	25,000	56,500	191,803	248,303
1987	425,000	29,750	25,000	54,750	186,260	241,010
1988	400,000	28,000	30,000 ²	58,000	185,635	243,635
1989	370,000	25,900	30,000 ²	55,900	189,798	245,698
1990	340,000	23,800	35,000 ²	58,800	188,508	247,308
1991	305,000	21,350	35,000 ²	56,350	141,988	198,338
1992	270,000	18,900	40,000 ²	58,900	91,850	150,750
1993	230,000	16,100	40,000 ²	56,100	73,687	129,787
1994	190,000	13,300	45,000 ²	58,300	46,038	104,388
1995	145,000	10,150	45,000 ²	55,150	49,200	104,350
1996	100,000	7,000	50,000 ²	57,000	47,100	104,100
1997	50,000	3,500	50,000 ²	53,500	50,000	103,500
1998	--	--	--	--	57,750	57,750
		\$563,850	\$600,000	\$1,163,850		

1 - Nine months' interest.

2 - Callable on or after January 1, 1987.

Chico Fire Station No. 1 is used as a design example by the International City Management Assn.



THE PROJECT

Proceeds from the sale of the bonds will be used to finance the acquisition of two 100-foot rear mounted aerial ladder trucks and three 1,250 gallon per minute triple combination pumping engines for the Fire Department.

The City of Chico has an excellent Class 3 fire rating issued by the Insurance Services Office. This rating service to insurance companies identifies a community's adequacy of fire protection. The Insurance Services Office has recommended that the City of Chico replace three engines and one aerial ladder truck plus add one additional ladder truck to the Fire Department fleet. The following tabulation summarizes the present rolling stock of the department:

CITY OF CHICO FIRE DEPARTMENT ROLLING STOCK

Year	Type
1975	Fire, crash rescue vehicle
1970	1,250-gpm engine pumper
1963	1,250-gpm engine pumper
1951	1,000-gpm engine pumper
1949	1,000-gpm engine pumper
1948	1,000-gpm engine pumper
1948	85-foot aerial ladder truck
1943	1,000-gpm engine pumper
1940	500-gpm engine pumper

The proposed new equipment will replace existing rolling stock purchased on or prior to 1951. The department plans to add the 1940 model, 500-gpm engine pumper to the fire department museum which includes an 1873 hose

cart, 1873 hand drawn ladder truck, 1910 fully operational 600-gpm pumper steamer and a 1920 model, 750-gpm pumper engine which are exhibited and maintained in the main fire station.

The City of Chico maintains three fire stations all of which were constructed since 1960. Two of the existing fire stations are used as design examples by the International City Management Association. The city is served by a Class-1 water system having 878 fire hydrants and a manually-operated street box fire alarm signal system.

Mr. Elmer L. Brouillard, Fire Chief, past president of the California Fire Chiefs Association, and Western Fire Association, is supported by one assistant chief, six fire captains, one fire marshal, one fire captain training officer, fifteen driver operators and ten firemen.

Firm bids for providing the fire equipment were received on January 19, 1976, and the equipment contract will be awarded to P.E. Van Pelt, Inc., Oakdale, California after the bonds are sold. The following tabulation shows a summary of the estimated project costs based on the equipment bid.

CITY OF CHICO ESTIMATED PROJECT COSTS

Base equipment bid	\$546,637
Legal, financing & related costs	53,363
Total Estimated Project Costs	\$600,000



The Chico Fire Department includes two 1,250-gpm engine pumpers. A portion of bond proceeds will be used to acquire three 1,250-gpm triple combination pumping engines.

FINANCIAL DATA

ASSESSED VALUATIONS

The Butte County Assessor determines the assessed valuations for all property within the county except utility property, which the State Board of Equalization assesses. The State Board of Equalization reports that Butte County assessed valuation for 1975/76 was 25.3 percent of full cash value and that utility property was assessed at 25 percent of full cash value.

Under state law 50 percent of the assessed valuation of business inventories is exempt from taxation. State law also provides for a current exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling for which application has been made to the County Assessor. Revenue lost to local taxing agencies due to such exemptions is fully reimbursed by a state subvention.

The tabulation at the bottom of this page shows the 1975/76 net taxable valuation and the amount of reimbursable exemptions.

TAX RATES

Tax rates for general purposes are subject to a limitation of \$2.10 per \$100 assessed valuation by the City of Chico Charter. This limitation includes \$1.25 for the general fund, \$0.35 for the park fund, \$0.20 for the library fund, \$0.20 for the sidewalk tree fund, and \$0.10 for the airport fund. Increases to tax rates limited by charter may only be authorized by a majority vote of the electors. For 1975/76 the tax rate for general purposes is composed of \$0.87 general fund, \$0.29 park fund, \$0.15 library fund, and \$0.14 sidewalk tree fund, with no levy for the airport fund. Taxes levied for payment of interest and principal on duly authorized general obligation bonds are not restricted. As shown in the accompanying tabulation, the city total tax levy for 1975/76 is \$1.53 per \$100 assessed valuation. The total levy was \$1.59 in each of the previous five years.

CITY OF CHICO SUMMARY OF TAX RATES

Fiscal Year	General Purpose*	Bonded Debt	Total Levy
1970/71	\$1.24	\$0.35	\$1.59
1971/72	1.29	0.30	1.59
1972/73	1.32	0.27	1.59
1973/74	1.31	0.28	1.59
1974/75	1.31	0.11	1.59
1975/76	1.45	0.08	1.53

*Charter limit \$2.10/\$100 A.V.

There are nine tax code areas in the city. Code Area 002-01 contains 52 percent of the total 1975/76 assessed valuation of Chico. The total tax rate and its major components within this code area are shown in the following tabulation.

CITY OF CHICO TOTAL 1975/76 TAX RATES (PER \$100 A.V.) CODE AREA 002-01

City of Chico	\$ 1,530
Butte County	2,226
School tax rates	6,605
Special districts	0,617
Total	<u>\$10,978</u>

TAX COLLECTIONS

Ad valorem taxes are collected for the City of Chico by the Butte County Tax Collector at the same time and on the same rolls as county and school district taxes. Taxes on the secured roll are due November 1 and February 1, and are declared delinquent December 10 and April 10, respectively. Taxes on the unsecured roll are due March 1 and become delinquent August 31.

CITY OF CHICO 1975/76 ASSESSED VALUATION

Assessment Roll	Net Taxable Assessed Valuation	Reimbursable Exemptions	Assessed Valuation Subject to Tax Levy
Local secured	\$42,306,904	\$7,821,260	\$50,128,164
Unsecured	7,234,320	604,470	7,838,790
Utility	6,026,400	--	6,026,400
Total	<u>\$55,567,624</u>	<u>\$8,425,730</u>	<u>\$63,993,354</u>

The following tabulation shows a six-year summary of the assessed valuation of the City of Chico.

CITY OF CHICO
ASSESSED VALUATIONS

Year	Assessed Valuation
1970/71	\$38,220,845
1971/72	42,352,235
1972/73	47,547,537
1973/74	52,122,440
1974/75	57,869,570
1975/76	63,993,354

The table on the upper right summarizes the total secured taxes levied by the city for city purposes and the amount delinquent as of June 30 of each fiscal year. Delinquencies have averaged 2.42% during the past six years and most delinquent taxes are made current in

CITY OF CHICO
TAX LEVIES AND DELINQUENCIES

Fiscal Year Ending June 30	Secured Taxes Levied	Delinquent Amount	June 30 Percent
1970	\$571,306	\$16,163	2.83%
1971	504,869	12,645	2.50
1972	562,039	12,841	2.28
1973	625,794	14,547	2.32
1974	634,006	12,509	1.97
1975	637,607	16,340	2.63

Source: Annual Financial Report-City of Chico.

the year following that in which they become delinquent.

REVENUES AND EXPENDITURES

The following table is a summary of the income and expenditures of the City of Chico from 1970/71 through 1974/75. Fund balances for the city as of June 30, 1975 are also shown.

CITY OF CHICO
SUMMARY OF INCOME AND EXPENDITURES¹

	1970/71	1971/72	1972/73	1973/74	1974/75
INCOME					
Property taxes	\$ 587,784	\$ 625,034	\$ 724,551	\$ 728,258	\$ 795,450
Sales and use taxes	638,123	743,867	839,088	949,100	1,059,206
Utility user taxes	227,098	257,575	273,621	337,387	395,240
Other taxes	154,684	166,193	167,210	161,574	198,710
Licenses and permits	40,306	48,905	74,938	128,327	55,027
Fines and penalties	105,139	109,492	130,330	128,501	125,449
Use of money and property	94,504	65,364	105,144	354,393	355,454
From other agencies	508,237	535,603	2,247,333	1,504,224	1,929,396
Current service charges	222,408	319,106	362,192	310,375	282,738
Other	88,352	158,484	186,848	239,099	144,362
Total Income	\$2,666,635	\$3,029,623	\$5,111,255	\$4,841,238	\$5,341,032
EXPENDITURES					
General government	\$ 293,701	\$ 382,210	\$ 494,816	\$ 573,908	\$ 785,157
Public safety	942,614	1,040,384	1,183,046	1,389,759	1,554,297
Public works	523,245	506,916	564,420	621,530	838,670
Libraries	65,312	68,857	71,683	79,643	87,243
Parks and recreation	205,141	283,630	312,111	335,893	282,051
General obligation debt service	120,274	140,571	185,583	192,719	189,562 ²
Capital outlay	363,607	363,270	1,460,793	813,597	2,474,739 ²
Total Expenditures	\$2,513,894	\$2,785,838	\$4,272,452	\$4,007,049	\$6,211,719

Fund Balances June 30, 1975

General fund	\$ 494,597
Special reserve fund	269,759
Capital projects fund	400,106
Debt service fund	146,674
Other funds	819,809
Total Fund Balances	\$2,130,945

¹ - Sources: Annual Reports, California State Controller, and Annual Financial Report-City of Chico (Matson and Isom Accountancy Corporation, Chico, California).

² - Includes reconstruction of Chico water pollution control facilities from federal/state grants and 1972 sewer bond proceeds.

EMPLOYEE BENEFITS

Per contractual agreement with the California Public Employee's Retirement System, the city and each employee make contributions for retirement and social security benefits. In addition, the city contributes per its obligation under state statute and under the insuring agreement with the State Compensation Insurance Fund for workers' compensation. The city also has an agreement with and makes contributions to the Cal Western Insurance Company for group health insurance and Standard Insurance Company for long-term employee disability benefits.

LITIGATION

The City Attorney knows of no existing or threatened litigation pending against the City of Chico which could affect the boundaries, the right to levy taxes, or the right to incur

debt and so impair the ability of the city to service the 1976 Fire Equipment Bonds.

DIRECT AND OVERLAPPING DEBT

The statement of direct and overlapping bonded debt of the City of Chico is shown in the following tabulation.

The city presently has a total of \$2,310,000 in outstanding general obligation bonded debt, not including the \$600,000 in bonds currently being offered.

The general obligation bonded debt includes the 1966 Street Bonds, \$195,000 outstanding; Municipal Improvement Bonds, Series A, B, and C, \$1,260,000 outstanding; 1970 Airport Runway Improvement Bonds, \$100,000 outstanding; 1971 Airport Terminal Building Bonds, \$180,000 outstanding; and, the 1972 Sewer Bonds, \$575,000 outstanding.

CITY OF CHICO STATEMENT OF DIRECT AND OVERLAPPING DEBT

Estimated population (1975)	22,300
Assessed valuation (1975/76)	\$ 63,993,354
Estimated market value	\$253,224,000

	Applicable March 2, 1976	
	Percent	Amount*
City of Chico	100.000%	\$2,910,000
Chico Unified School District	37.517	836,260
Chico City School Bonds	50.450	938,374
Pleasant Valley School District (1956 A & B Issues)	28.873	1,155
Pleasant Valley School District (1956 C, D & E; 1964 Issues)	27.649	42,026
Shasta Union School District	10.127	7,089
Chico Area Recreation & Park District 1974 Notes	38.883	289,679
Total Gross Direct and Overlapping Bonded Debt		\$5,024,583
Less: City of Chico (55% self-supporting 1960 Municipal Improvement Bonds, Series A, B, & C, 100% self-supporting 1972 Sewer Bonds and 100% self-supporting 1970 & 1971 Airport Bonds)		\$1,548,000
Total Net Direct and Overlapping Bonded Debt		\$3,476,583

	Ratio To		
	1975/76 Assessed Valuation	Estimated Market Value	Per Capita
Direct Debt	4.55%	1.15%	\$130
Gross Total Debt	7.85	1.98	225
Net Total Debt	5.43	1.37	156

*Excludes \$120,000 1964 Offstreet Parking Revenue Bonds; \$7,065 1915 Act Normal Street Reconstruction Assessment Bonds; and \$188,647 1911 Act Assessment Bonds.
Source: Butte County Auditor/Controller.

THE CITY

The City of Chico is located in the rich farmlands of the Sacramento Valley, about 174 miles northeast of San Francisco and about 90 miles north of Sacramento. Chico is the largest inland California city north of Sacramento. It is located almost exactly halfway between Los Angeles and Portland, Oregon. It is on California Highway 99, a major freeway for north-south coastal traffic, and on east-west California Highway 32.

The City of Chico operates under its own charter. It was established in 1872 and employs the council-manager form of government. The city is governed by seven councilpersons who are elected to four-year terms. The mayor is elected by the city council from their membership for a two-year term.

Average temperatures range from 47 degrees to 75 degrees and rarely exceed 100 degrees or drop below 35 degrees. The hottest month is generally July and the coldest is January. Precipitation averages 25.75 inches annually and occurs primarily from December to April.

POPULATION

The present population of the City of Chico is estimated at approximately 22,300 persons.

Population of the immediate urban area is approximately 44,000 and Chico serves a market area estimated at over 130,000. The following tabulation shows the city's population growth in five year increments since 1950.

CITY OF CHICO POPULATION

Year	City of Chico
1950	12,272
1955	13,018
1960	14,757
1965	18,100
1970	19,580
1975	22,300

INDUSTRY AND EMPLOYMENT

Chico is in the Chico-Oroville Labor Market Area, as defined by the State Employment Development Department, and includes all of Butte County. With an estimated area population of 115,000, this labor market provides employment for 36,450 persons in October 1975. Government, trade and services are the principal sources of employment, as shown in the summary at the bottom of this page.

CHICO-OROVILLE LABOR MARKET AREA (BUTTE COUNTY) CIVILIAN EMPLOYMENT - MONTH OF OCTOBER

Industry	Oct. 1970	Oct. 1971	Oct. 1972	Oct. 1973	Oct. 1974	Oct. 1975	% of Total Oct. 1975
Agriculture	5,225	4,400	4,375	4,650	4,550	4,650	12.8%
Construction	850	1,025	1,225	1,475	1,400	1,300	3.6
Manufacturing	2,725	3,025	3,250	3,525	3,425	3,325	9.1
Transportation, Communication, and Utilities	1,850	1,900	2,025	2,100	2,100	2,125	5.8
Trade	6,450	6,800	6,825	7,700	8,000	8,350	22.9
Finance, Insurance, and Real Estate	875	975	1,100	1,150	1,150	1,200	3.3
Services	5,200	5,425	5,550	6,175	6,100	6,200	17.0
Government	7,500	7,725	8,250	8,425	8,925	9,300	25.5
Total	30,675	31,275	32,600	35,200	35,650	36,450	100.0%

Source: California Employment Development Department. During years 1970-74 October employment has ranged from 4 to 7 percent higher than annual average employment.

The employment base of the City of Chico is keyed primarily to education (government) and trade functions. A list of the principal organizations and firms within the city including the estimated number of employees is presented in the following tabulation.

CHICO COMMUNITY AREA
LARGEST EMPLOYERS AND EMPLOYMENT CENTERS

Employer	Employment	Product/Business
California State University, Chico	1,400	Education
Downtown Chico	1,000	Various Retail
North Valley Plaza Mall	1,000	Various Retail
Chico Unified School District	773	Education
Diamond National Corporation	650	Matches, wood products
Butte Community College	480	Education
N.T. Enloe Memorial Hospital	375	Medical
The Pacific Telephone & Telegraph Company	360	Communication
Continental Nut Company	300	Nut processing
Rexnord, Incorporated (Mathews Conveyor)	220	Conveyor systems
Chico Community Hospital	215	Medical
Pacific Gas and Electric Company	175	Energy
Chico Enterprise - Record	130	Newspaper
California Almonds, Incorporated	125	Nut processing
Sierra Pacific Industries	125	Wood molding
Jessup Door Company	110	Door stock
Butte Creek Rock	100	Engineering contractor

Source: Greater Chico Chamber of Commerce.

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TRADE

Trade and services constitute two of the three largest categories of employment in the City of Chico. Retail trade accounts for approximately 82 percent of taxable transactions. Total taxable transactions in the city have

increased more than 60 percent since 1970 reaching a level of \$95,151,000 in 1974. A five and one-half year summary of the number of permits and the value of retail and total taxable transactions reported by the State Board of Equalization are presented in the following tabulation.

CITY OF CHICO
TAXABLE SALES TRANSACTIONS¹

Year	Retail Stores		All Outlets	
	Permits	Transactions	Permits	Transactions
1970	337	\$50,285,000	655	\$59,159,000
1971	324	56,987,000	642	67,517,000
1972	343	64,125,000	680	76,015,000
1973	349	73,238,000	706	86,249,000
1974	361	77,980,000	717	95,151,000
1975 ²	362	41,303,000	729	49,339,000

¹ - Food for home consumption, prescription drugs, and certain other items are not taxable.
Gasoline became subject to tax July 1, 1972.

² - First 6 months of 1975.

Source: State Board of Equalization.

AGRICULTURE

Agriculture continues to play a major role in the economy of Butte County. Over 500,000 acres of Butte County are planted to various field, seed vegetable, fruit, and nut crops. Rice, almonds, prunes, walnuts, and peaches are the county's most important farm products, accounting for over 60 percent of all value of output. The area has been called the almond capital of the world. It also produces 250

million pounds of rice annually. Livestock is also an important agricultural product. Hills, valleys, and abundant water in the eastern part of the county and level, fertile valley floor in the central and eastern portion provide such a variety of soils and climate that wide diversification of products has been attained. The following tabulation shows a distribution of the dollar value of crop production in Butte County for the years 1970 through 1974.

BUTTE COUNTY DOLLAR VALUE OF CROP PRODUCTION

Crops	1970	1971	1972	1973	1974
Field crops	\$25,349,700	\$25,514,500	\$29,960,800	\$ 62,873,900	\$ 69,462,000
Seed crops	3,010,290	2,301,600	2,502,500	3,412,700	3,645,800
Vegetable crops	671,450	499,940	368,200	536,000	733,600
Fruit and nut crops	28,269,000	22,030,000	27,957,200	53,775,000	37,587,300
Nursery stock	400,500	452,500	662,000	654,500	790,600
Livestock and poultry	10,831,600	10,925,900	12,409,000	17,065,300	13,556,900
Apiary products	269,850	322,470	477,900	643,800	1,011,800
Total	\$68,802,390	\$62,046,910	\$74,337,600	\$138,961,200	\$126,788,000

Source: Butte County Agricultural Commissioner.

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CONSTRUCTION

The value of building permits issued by the City of Chico for the first six month period of the 1975/76 fiscal year, \$4,705,416, was more than 60 percent of that issued for the

previous 12 month period. The value of residential and non-residential building permits issued by the city for the last six and one-half years is summarized in the following tabulation.

CITY OF CHICO BUILDING PERMIT VALUATION

Fiscal Year	Residential Value	Non-Residential Value	Total Value
1969/70	\$1,614,463	\$ 601,406	\$ 2,215,869
1970/71	2,704,238	2,147,189	4,851,427
1971/72	2,519,501	4,436,666	6,956,167
1972/73	6,321,170	4,179,359	10,500,529
1973/74	5,736,547	3,507,628	9,244,175
1974/75	2,354,851	5,189,666	7,544,517
1975/76*	3,560,006	1,145,410	4,705,416

*Six months ending December 1975.

Source: City of Chico - Building Division.

EDUCATION

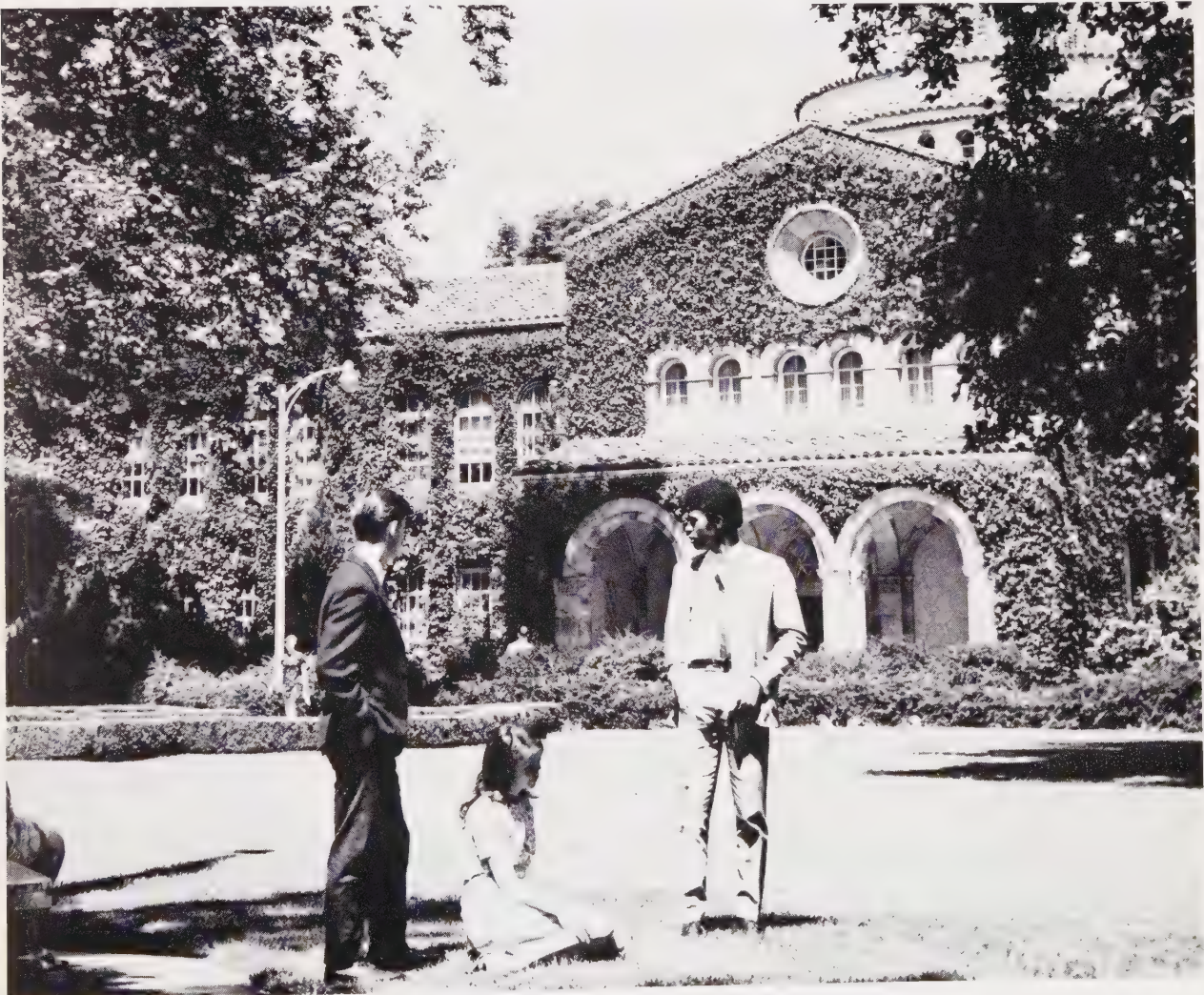
Elementary and secondary education in the city is administered by the Chico Unified School District, which operates 14 elementary schools, 2 junior high schools, 2 senior high schools, a continuation high school, an adult education program, and many special remedial, creative, and innovative programs. Enrollment in this school district for the past five years is shown below. Currently the school district employs 420 teachers plus 353 support staff and the 1975/76 budget is \$11,756,347.

CHICO UNIFIED SCHOOL DISTRICT SCHOOL ENROLLMENT

Year	Elementary	Secondary	Total
1970/71	5,093	4,301	9,394
1971/72	4,830	4,312	9,142
1972/73	4,664	4,332	8,996
1973/74	4,414	4,431	8,845
1974/75	4,214	4,351	8,565

Located in downtown Chico on a 124-acre campus is California State University, Chico, (CSUC), established in March 10, 1887. CSUC ranks ninth in enrollment among the 19 schools in the California State University and College system. Enrollment is approximately 13,000 students in the university, which grants both undergraduate and graduate degrees in eighty-three academic areas. Faculty and staff numbers approximately 1,400 with an annual payroll in excess of \$20,000,000.

Butte College, a two-year community college, located 14 miles southeast of Chico, provides career education, as well as transfer programs which enable students to move to four-year institutions. Approximately 7,000 students are enrolled at the permanent campus opened in 1974. Faculty and staff numbers approximately 480 and the 1975/76 budget is approximately \$8,300,000.



California State University, Chico, has the ninth largest enrollment among the 19 schools in the California State University and College System.



The Old Covered Bridge over Butte Creek is located approximately 5 miles from downtown Chico.

TRANSPORTATION

Freight service to the city is provided by the Southern Pacific and Western Pacific Railroads, and numerous truck lines. Greyhound Bus Lines schedules 14 trips daily to and from Chico, connecting with Sacramento and San Francisco, where connections can be made to all regional and national points.

Scheduled airlines serve Chico Municipal Airport. The city is served by Hughes Air West, Nor-Cal Airlines and Eureka Aero Airlines with six flights daily. The city is developing the 550-acre Chico Municipal Airport Industrial Park contiguous to the airfield which currently has over 45 owners and tenants.

COMMUNITY FACILITIES

Six hospitals, with a combined capacity of 498 beds and over 100 doctors and dentists in all areas of specialization, assure excellent health care. Fifty churches of nearly every denomination serve the spiritual needs of the people. Six libraries, including city and county branches, two public school and two college libraries, serve the community. There are two radio stations (KHSL-CBS and KPAY), one television station (KHSL-Channel 12), within the city, plus cable TV service to most areas. The Enterprise Publishing Company operates the local daily newspaper, the Chico Enterprise Record. Eight commercial banks and four savings and loans operate branch offices in Chico.

UTILITIES

The following suppliers provide:

Water:	California Water Service Company.
Natural Gas:	Pacific Gas and Electric Company.
Telephone:	The Pacific Telephone and Telegraph Company.
Electric Power:	Pacific Gas and Electric Company.
Sewer:	The City of Chico (secondary treatment).
Cable Television:	State TV Cable.

RECREATION

Running through the very heart of the City of Chico is 2,250-acre Bidwell Park, the third largest municipally-owned and operated park in the United States. It has two major stream-fed swimming pools, a childrens' fairyland, numerous softball diamonds, an eighteen-hole golf course, rifle and archery ranges, and many picnic areas. The Chico Area Recreation and Park District, organized in 1948, provides and promotes a variety of recreation programs for the Greater Chico Area, including four activity centers, two swimming pools, and a number of parks and playgrounds.

Geographically, Chico is in the center of an immense natural playground with the Sacramento River and its valley on the west, and forests and streams of the Sierra Nevada on the east.

OFFICIAL NOTICE OF SALE

\$600,000

CITY OF CHICO 1976 FIRE EQUIPMENT BONDS (Butte County, State of California)

NOTICE IS HEREBY GIVEN that sealed proposals will be received on behalf of the Council (the "Council") of the City of Chico (the "City"), Butte County, California, by the City Manager or his designated representative at the offices of Bartle Wells Associates, Shell Building Penthouse, 100 Bush Street, San Francisco, California 94104 on

TUESDAY, MARCH 2, 1976

until the hour of 10:00 A.M. for the purchase of \$600,000 principal amount of bonds of the City designated "City of Chico 1976 Fire Equipment Bonds" (the "bonds"), more particularly described below. The bonds will be awarded to the successful bidder by the Council at a meeting to be held at 7:30 P.M. on the same date at the Municipal Center, Fifth and Main Streets, Chico, California.

ISSUE AND

DENOMINATION: \$600,000 consisting of 120 bonds, numbered 1 to 120, both inclusive, of the denomination of \$5,000 each.

DATE: The bonds are dated April 1, 1976.

MATURITIES: The bonds mature serially in consecutive numerical order, from lower to higher as follows:

Principal Amount	Maturity Date (January 1) (All years inclusive)
\$ 15,000	1978-1980
20,000	1981-1984
25,000	1985-1987
30,000	1988-1989
35,000	1990-1991
40,000	1992-1993
45,000	1994-1995
50,000	1996-1997

INTEREST RATE: Maximum eight per cent (8%) per annum, payable on January 1, 1977 for the period from April 1, 1976 to January 1, 1977 and thereafter semi-annually on January 1 and July 1 in each year. Bidders must specify the rate or rates of interest which the bonds shall bear. Bidders may specify any number of separate rates of interest and the same rate or rates may be repeated as often as desired, provided that: (i) the difference between the lowest and highest coupon rates named in any bid shall not exceed 2%; (ii) no bond shall bear more than one rate of interest, no interest payment shall be evidenced by more than one coupon, and supplemental coupons will not be permitted; (iii) each bond shall bear interest from its date to its stated maturity at the interest rate specified in the bid; (iv) each interest rate specified must be in a multiple of 1/20 of 1% and a zero rate of interest cannot be specified; (v) all bonds maturing in the same year shall bear the same rate of interest; (vi) the interest rate specified for any bonds maturing after 1987 shall be the same as or higher than the rate specified for the bonds maturing in the immediately preceding year; and (vii) any premium must be paid in bank funds as part of the purchase price, and no bid will be accepted which contemplates the cancellation of any interest coupons or the waiver of any interest or other concession by the bidder as a substitute for payment in full of the purchase price in bank funds. Bids which do not conform to the terms of this paragraph will be rejected.

REDEMPTION: Bonds numbered 1 to 40, maturing by their terms on or prior to January 1, 1987, are not subject to call or redemption prior to their fixed maturity dates. Bonds numbered 41 to 120, maturing by their terms on and after January 1, 1988 are subject to call and redemption, at the option of the City, as a whole, or in part in inverse numerical order from higher to lower on January 1, 1987 (but not prior thereto), and on any interest payment date thereafter prior to their fixed maturity date or dates at the principal amount thereof and accrued interest thereon to date of redemption, together with a premium of 1/4 of 1% of such principal amount for each whole year and for any fraction of a year remaining from the date of redemption to the fixed maturity date of the bonds so redeemed.

PAYMENT: Both principal and interest are payable in lawful money of the United States of America at the principal office of Bank of America National Trust and Savings Association in San Francisco, California, the Paying Agent of the City.

EXECUTION AND

REGISTRATION: Coupon bonds will be issued by the City. The bonds will be executed by the manual signature of at least one official authorized to execute the bonds. The bonds are registrable only as to both principal and interest. Registered bonds are convertible into coupon bonds at owner's expense.

PURPOSE

OF ISSUE: The bonds are authorized by vote of two-thirds of the qualified voters voting at a special municipal bond election for the purpose of authorizing bonds for fire protection equipment for the City.

SECURITY: The bonds are general obligations of the City, and the City has power and is obligated to levy ad valorem taxes for the payment of the bonds and the interest thereon upon all property within the City subject to taxation by the City (except certain personal property, which is taxable at limited rates) without limitation of rate or amount.

TAX EXEMPT

STATUS: In the event that prior to the delivery of the bonds (a) the income received by any private holder from bonds of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such laws or by ruling of

a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is adopted which will have a substantial adverse tax effect on holders of the bonds as such, the successful bidder may, at his option, prior to the tender of the bonds by the City, be relieved of his obligation under the contract to purchase the bonds and in such case the deposit accompanying his bid will be returned.

LEGAL OPINION: The legal opinion of Messrs. Orrick, Herrington, Rowley & Sutcliffe, of San Francisco, California, approving the validity of the bonds, will be furnished to the successful bidder without charge. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

TERMS OF SALE

Highest Bidder: The bonds will be awarded to the highest bidder, considering the interest rate or rates specified and the premium offered, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from the total amount of interest which the City would be required to pay from the date of the bonds to their respective maturity dates at the coupon rate or rates specified in the bid, and the award will be made on the basis of the lowest net interest cost to the City thus determined. The purchaser must pay accrued interest from the date of the bonds to the date of delivery. All interest shall be computed on a 360 day year basis. The cost of printing the bonds will be borne by the City.

Right of Rejection: The Council reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

Prompt Award: The Council will take action awarding the bonds or rejecting all bids not later than 30 hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful bidder. Prompt notice of the award will be given to the successful bidder.

Prompt Delivery: Delivery of the bonds will be made to the successful bidder, as soon as the bonds can be prepared (which it is estimated will be on or immediately after April 1, 1976, the date of the bonds) at the office of the Paying Agent in San Francisco, California. Payment of the purchase price of the bonds must be made in fund immediately available to the City in San Francisco, California.

Right of Cancellation: The successful bidder shall have the right, at his option, to cancel the contract of purchase if the City shall fail to execute the bonds and tender the same for delivery within sixty (60) days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

Form of Bid: Each bid must be for not less than all the bonds and for not less than the par value thereof and accrued interest to date of delivery. Each bid, together with bidder's check, must be enclosed in a sealed envelope addressed to the City Manager of the City, c/o Bartle Wells Associates, 100 Bush Street, San Francisco, CA 94104, endorsed "Proposal for City of Chico 1976 Fire Equipment Bonds" and mailed in time to be received by 10:00 A.M. on March 2, 1976 or delivered to the City Manager or his designated representative at said place by said time on said date.

Bid Check: With each bid must be submitted a certified check or cashier's check for \$10,000 drawn on a bank or trust company transacting business in the State of California, payable to the order of the Treasurer of the City of Chico, to secure the City from any loss resulting from the failure of the bidder to comply with the terms of his bid. Checks of the unsuccessful bidders will be returned by the City promptly by mail upon the award of the bonds. No interest will be paid upon the deposit made by any bidder.

Estimate of Net

Interest Cost: Each bidder is requested (but not required) to supply an estimate of the total net interest cost to the City on the basis of his bid, which shall be considered as informative only and not binding on either the bidder or the City.

CUSIP Numbers: It is anticipated that CUSIP identification numbers will be printed on the bonds but neither the failure to print such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid for by the issuer, provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

No Litigation: There is no litigation pending concerning the validity of the bonds, the corporate existence of the City or the title of the officers thereof, and to their respective offices, and the City will furnish to the successful bidder a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the bonds.

Official

Statement: The City has prepared an Official Statement relating to the bonds, copies of which will be furnished upon request addressed to Bartle Wells Associates, 100 Bush Street, San Francisco, California 94104, the City's financing consultants.

Dated: February 4, 1976.

BARBARA A. EVANS
City Clerk of the City of Chico

SUGGESTED FORM OF PROPOSAL
FOR PURCHASE OF BONDS

March 2, 1976

City Manager, City of Chico
c/o Bartle Wells Associates
100 Bush Street, 28th Floor
San Francisco, California 94104

Gentlemen:

For \$600,000 City of Chico 1976 Fire Equipment Bonds, as described in the Official Notice of Sale, which is incorporated herein and made a part of this proposal, we will pay the sum of \$600,000, a premium of \$_____, and interest to the date of delivery for bonds to bear interest at the annual rates set forth below:

Maturity				Maturity			
Cumulative Bond Years	Date Jan. 1	Principal Amount	Interest Rate	Cumulative Bond Years	Date Jan. 1	Principal Amount	Interest Rate
26.25	1978	\$15,000	_____%	1,707.50	1988	\$30,000	_____%
67.50	1979	15,000	_____%	2,090.00	1989	30,000	_____%
123.75	1980	15,000	_____%	2,571.25	1990	35,000	_____%
218.75	1981	20,000	_____%	3,087.50	1991	35,000	_____%
333.75	1982	20,000	_____%	3,717.50	1992	40,000	_____%
468.75	1983	20,000	_____%	4,387.50	1993	40,000	_____%
623.75	1984	20,000	_____%	5,186.25	1994	45,000	_____%
842.50	1985	25,000	_____%	6,030.00	1995	45,000	_____%
1,086.25	1986	25,000	_____%	7,017.50	1996	50,000	_____%
1,355.00	1987	25,000	_____%	8,055.00	1997	50,000	_____%

A certified or cashier's check in the amount of \$10,000 payable to the order of the Treasurer of the City of Chico is enclosed.

(For information only, not part of proposal.)

Interest payable from April 1,
1976 through January 1, 1997 \$ _____

Less - premium _____

Net interest payable _____

Net effective interest rate _____

(A list of members of our underwriting group
is attached.)

Apart from this bid, the bidder requests _____ copies of the official statement, if awarded the bonds. The city will furnish up to 50 copies free of charge, and additional copies at a cost of \$1.50 per copy, to be delivered to the successful bidder at or before the time the bonds are delivered.

U.C. BERKELEY LIBRARIES



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